



Maryland
Energy
Administration

Larry Hogan, Governor
Boyd K. Rutherford, Lt. Governor
Mary Beth Tung, Director

November 25, 2019

Notice of Grant Availability
FY20 LDC Matching Grant Program

Program Description: The Maryland Local Distribution Company (“LDC”) Grant Program (“Program”) issues matching grants from the Maryland Gas Expansion Fund (“MGEF”) to licensed Local Distribution Companies (“LDCs”) to aid in natural gas expansion in Maryland. MGEF is a merger benefit resource held as a subaccount of the Strategic Energy Investment Fund (“SEIF”). The Maryland Energy Administration (MEA) administers the program. The purpose of these grants is to assist with energy projects that help to promote natural gas distribution. LDC Program grants are distributed on a first come, first serve basis.

Such distributions may serve to invest in assets that distribute natural gas for:

- new customers;
- the re-integration of previous customers who no longer use natural gas service; or
- a benefit to existing customers who are not presently utilizing their natural gas infrastructure.

Such distributions may be made to LDCs who presently hold a state and/or federal license to operate natural gas infrastructure in Maryland. All hard assets, (such as piping, city gates, compression stations, locators, and couplings), which receive funding shall be installed and operated in Maryland.

Program Budget: Up to \$1 million is available for this Program in Fiscal Year 2020 (“FY20”), subject to availability. These funds are allocated in the following manner:

- Up to \$1M initially reserved for LDCs to defray:
 - hard asset costs for city gates, compression stations, locators, piping, couplings, and any other hard asset category that an LDC requests in their application and which MEA may approve AND/OR
 - soft asset costs (labor or non-tangible asset) for installation of any hard asset in the application.

NOTE: [PSC Order 88631](#) requires a majority of MGEF resources to be expended within the WGL service area. All applications shall indicate whether they are for projects within or outside of the WGL service area.

Eligible Market Industries:

- Organized businesses who presently hold or who have filed an application for a tariff or other license for natural gas distribution with the Maryland PSC and/or the U.S. Federal regulatory commission.

Application Deadline: Applications will be accepted through December 11, 2019; until funding has been expended; or until such a time as MEA publishes on its website.

Type of Grant Program:

- Subject to funding availability and restrictions, grants will be awarded on a first come, first serve basis. However, to ensure geographic diversity and to conform to Order 88631, MEA will initially reserve funding for at least one project in **Allegheny, Garrett, Frederick, Calvert, Charles, St. Mary's, Kent, or Somerset Counties**.
- MEA reserves the right to increase or decrease the program budget.

Program Eligibility Requirements:

At a minimum, each proposed project must:

- Be located in Maryland;
- Grantees must be in Good Standing with the [Maryland State Department of Assessments and Taxation](#) ("SDAT"). Please see the SDAT website to obtain a Certificate of Status to be included with your application package. Grantees who do not hold an SDAT designation shall furnish an enabling or otherwise authorizing section of the Maryland Code Annotated or some other writing to satisfy this requirement which MEA may approve;
- Incorporate a reference to any concerns of the county government within which the project is located ("County"), following a meeting between the applicant and the County regarding the project;
- Demonstrate in writing that the LDC will at least match the amount of the grant for the project;
- Satisfy all applicable regulatory and environmental requirements.

To be considered for a grant award, an application must be complete, accurate, and signed by the project owner (or owner's representative). In addition, the application must be accompanied by a Certificate of Status from the [Maryland State Department of Assessments and Taxation](#) completed by the project owner and, when applicable, the project owner. Electronic application submittals are strongly encouraged.

MEA will make the grant funds available to the project owner (or owner's representative) in two installments: Up to 30% of the grant award will be provided as a ground breaking incentive, after MEA staff has verified that the official groundbreaking has commenced and materials are onsite, with the remaining funds provided as a commissioning incentive.

Restrictions, Requirements, and Limitations:

- Applicants selected for an award under this Program shall be required to submit an IRS W9 form to MEA **prior** to award execution.
- To receive a grant, a successful applicant must be able to enter into a Grant Agreement with MEA by no later than February 28, 2020.
- MEA reserves the right to obligate all or none of the MEA Program budget, based on the quality and eligibility of applications submitted to MEA.
- Grantees will be required to submit data to MEA in order to comply with MEA's reporting obligations in Md. [PSC Order 88631](#)
- Submission of an application to the FY 2020 Program does not guarantee the applicant will be selected to receive a grant award.
- It is in MEA's sole discretion to determine if a proposed project is eligible to receive a grant award from the FY 2020 Program.
- All projects must be located within the State of Maryland.
- Prior to the start of construction, each project selected for funding must be reviewed by the Maryland Historic Trust (MHT) to ensure that no historical property will be adversely impacted. MEA may require that the grantee provide additional information concerning the proposed project site in order to complete the historic preservation review.
- MEA or its representative(s) may use photos and video of the project, and data presented in the application for marketing, publicity, and advertising purposes. MEA and its representatives, subject to the requirements of the Maryland Public Information Act, and other applicable laws, will not divulge any confidential information or trade secrets.
- MEA and its contractors make no representation or warranty and assume no liability with respect to quality, safety, performance, or other aspect of any infrastructure design, system, or appliance installed pursuant to this application, and expressly disclaim any such representation, warranty, or liability.
- Program General Terms, Conditions, and Requirements are subject to change.
- **American Manufactured Goods:** Effective October 1, 2019, Chapter 757 of the 2019 Acts of the General Assembly of Maryland will require any new loan or grant funded by the SEIF to a unit of State or local government to comply with §14-416 and §17-303 of

the State Finance and Procurement Article. Applicants affected by this requirement should take it into account when developing FY20 applications to SEIF-funded programs. FY20 SEIF-funded grant agreements will contain a section outlining the American Manufactured Goods requirements with which impacted grantees will be required to comply.

- **Project Location:** Effective October 1, 2019, Chapter 757 of the 2019 Acts of the General Assembly of Maryland will require at least 80% of workers participating in a SEIF-funded project or program to reside within 50 miles of the project or program. As the SEIF funds a statewide program, MEA will determine compliance based on whether at least 80% of workers participating in a SEIF-funded project reside in Maryland, or within 50 miles of Maryland's borders. Applicants should take this new requirement into account when developing FY20 applications to SEIF-funded programs. FY20 SEIF-funded grant agreements will contain a section further outlining this requirement, including any documentation of compliance that will be required before grant funds are disbursed.
- To receive the final grant funds disbursement for projects, or "commissioning incentives", MEA must receive the following from the grantee: copies of inspection documents, all required permits and licenses to operate the project, and invoices and other material demonstrating that grantee has matched the grant funding disbursement.
- Each Grantee is responsible for acquiring and obtaining all necessary regulatory, environmental, county and building permits or certificates. Prior to disbursement of final grant funds for projects, MEA must receive a schedule and copies of all required permits and certificates.

Required Application Documents:

MEA Application: Please note that the name on the MEA Application must match the name and address listed on the applicant's W9 form.

Each applicant must submit the following documents with the MEA application

- A copy of their license to operate natural gas infrastructure in Maryland.
- Current Certificate of Status provided by the [Maryland State Department of Assessments and Taxation](#).

For more information or assistance, please visit <https://energy.maryland.gov/govt/Pages/MEIP.aspx> or contact David Giusti at David.Giusti1@maryland.gov. Applications should be submitted electronically to MEIP.MEA@maryland.gov.